

INTRODUCTION

The City's water system was originally formed in 1874. The industrial water system, also included in this fund, was formed in 1964. Three separate divisions share responsibility for the overall operation of this system. The Director of Water and Wastewater Treatment is responsible for the operation and maintenance of the water plant, industrial water plant, raw water intake facilities, water booster stations, and overhead and ground storage facilities. The Director of Water and Gas is responsible for maintenance and operation of the distribution systems and the Customer Service Division provides billing, meter reading and general customer services.

Danville's water system provides potable water to more than 55,000 people from an 18 million gallon-per-day treatment facility. This service is provided through over 300 miles of water distribution lines to more than 18,000 customers in Danville and adjacent areas of Caswell County, North Carolina, and Pittsylvania County, Virginia. A separate three million gallon-per-day industrial water system provides high quality process water to the Goodyear Tire and Rubber Company and to the City's wastewater treatment facilities.

The water system mission is to provide reliable high quality drinking and industrial process water at the lowest cost possible; in accordance with all local, state, and federal laws, regulations, and standards.

BUDGET HIGHLIGHTS

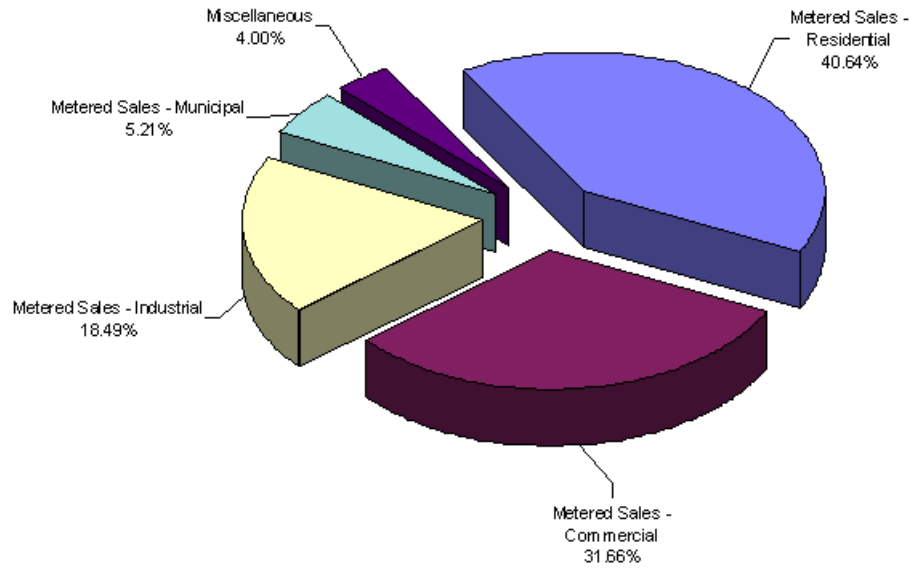
The Water fund has been balanced for FY02/03 without a rate increase.

Water sales revenues are projected essentially the same as last year. Total salaries and labor are approximately the same as last year. Other operation, maintenance and capital expenditures (net depreciation) are projected to be \$260,000 less or a savings of approximately 2%.

The Danville Utilities Commission reviewed and approved the Water Fund operating budget.

Calculation of Contribution To (From) General Fund				
			F/Y 01/02	F/Y 02/03
Revenues			\$ 6,288,036	\$ 6,237,216
Total Operating Expenses			(4,434,936)	(4,465,281)
Net Operating Income (Loss)			\$ 1,853,100	\$ 1,771,935
Add:				
Depreciation			892,000	1,028,500
Deduct:				
Debt Service Principal			1,403,159	1,448,426
*Capital Expenditures from				
Current Operating Funds			1,308,768	1,352,009
Contribution To(From) - City's General Fund			\$ 33,173	\$ 0
*Capital Projects:				
Regular Capital Improvements			\$ 607,768	\$ 651,009
Capital Improvements-Water Treatment System			251,000	251,000
Reserve for Strategic Plan Improvements			450,000	450,000
Total			\$ 1,308,768	\$ 1,352,009
Capital Projects Funded by Transfer from Capital Reserve:				
Cyber Park Development				\$ 172,776

REVENUES



	Council Adopted FY 02-03	City Mgr. Recommnd FY 02-03	Dept Requested FY 02-03	Budgeted FY 01-02	Actual FY 00-01	Actual FY 99-98
Revenues						
Metered Sales - Residential	\$ 2,535,065	\$ 2,535,065	\$ 2,535,065	\$ 2,556,661	\$ 2,313,352	\$ 2,443,514
Metered Sales - Commercial	1,974,688	1,974,688	1,974,688	1,950,200	1,767,579	1,729,962
Metered Sales - Industrial	1,152,963	1,152,963	1,152,963	1,142,300	1,006,419	1,056,583
Metered Sales - Municipal	325,000	325,000	325,000	314,300	316,858	318,224
Miscellaneous Revenue	249,500	249,500	249,500	324,575	807,689	549,166
Total	\$ 6,237,216	\$ 6,237,216	\$ 6,237,216	\$ 6,288,036	\$ 6,211,897	\$ 6,097,449